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29 October 1979

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Robert Kirby, Chief Executive Officer,
Westinghouse, 26 October 1979

1. Personnel Management:

a. He uses an ombudsman system to ensure that employees have a place to turn when they need advice, want to let off steam, etc. Managers are normally too busy for this. He believes this can be done without degrading the manager's sense of responsibility for his people.

b. He has 3000 executives on a fast track program. Those chosen are not told that they are in the program. They are given assignments roughly on a one-year basis. At the end of the year, their manager has to ensure they have fulfilled the assignment (by assignment, what is meant is a task, not a new position). At the end of a year some of the 3000 are dropped from the program and others are added in.

c. The president of each of his subsidiaries is expected to have his finger on his 500 top managers and three possible replacements for each of them. The actual replacement may not come from those three, but there should be three candidates selected and in grooming. Note that the presidents themselves are held responsible for knowing these people and their records personally.

d. An executive committee debates the assignment of managers to most of the top positions in the organization. This way they are selected from the best the organization has rather than from the component which needs the new manager.

e. When Kirby arrived, there was no interdirectorate-type rotation or assignments. The company had severe problems deciding how to proceed on a given program when it required two subsidiaries to develop it. Only the Chief Executive Officer could adjudicate. Now there is cross-company rotation which rejuvenates, brings innovation, and affords the capability to consider the full aspects of a problem at less than the top level.

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f. He has a tremendous attrition rate among executives-- perhaps 50% in the first five years. It costs him \$60-70,000 to bring a new executive on board for one year. He will do a great deal to cut the attrition rate by even 10 percent.

(1) Young people want to get into the action quickly and feel a part of the organization.

(2) The personnel development program, then, is generally for people under 37. Recruiters sent out into the field are never over 40.

2. I asked if we could send our personnel manager up to talk to someone in his personnel organization. He would be pleased to have us do this. I'd like to have Harry Fitzwater look at this Westinghouse concept, particularly at such things as: How specific are these work assignments given to the 3000 comers? What kind of forms do they use to describe them and evaluate them? How do they measure the end of year results? Who can put people on and off the list of 3000?

3. Possible applicability of this system to the Agency:

a. More emphasis on the PDP, which would serve as the cornerstone of such a program;

But is the PDP down low enough in the hierarchy?

b. Use of the Executive Committee for assignments of a certain number of generalist managerial positions with the level above that being reserved for the DCI/DDCI;

c. Positive identification of three candidates for all managerial positions above some GS level.

STANSFIELD TURNER
Director

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